



April 13, 2018

Ex Parte

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Washington, D.C. 20554

Re: IB Docket No. 98-96 – 1998 Biennial Regulatory Review – Review of Accounts of Settlement in the Maritime Mobile and Maritime-Satellite Radio Services and Withdrawal of the Commission as an Accounting Authority in the Maritime Mobile and Maritime-Satellite Radio Services (“2016 Accounting Authority Second FNPRM”)

Dear Ms. Dortch:

On behalf of COMSAT, Inc. (“COMSAT” or “the Company”), the following letter supplements the Company’s Reply Comments and *ex parte* notices submitted in the above-captioned docket. As an initial matter, COMSAT applauds Chairman Pai’s efforts to address and resolve the issue of “stale” proceedings that have remained open before the Commission for years, as well as the Chairman’s interest in streamlining procedures to the benefit of industry participants and taxpayers. COMSAT agrees that these dual initiatives will greatly reduce regulatory burdens and render the regulatory process more efficient.

With regard to the above-captioned docket, the Commission has proposed that it exit the role of the accounting authority of last resort in a rulemaking that has languished for years. The time to act is now. Through its participation in this docket, COMSAT has provided the Commission a simple, streamlined, and unopposed solution that aligns with the Chairman’s stated goal of speeding up the regulatory process.

COMSAT supports the Commission’s decision to cease operating as the accounting authority of last resort, but it maintains that appointment of a replacement accounting authority is necessary and in the best interest of taxpayers, maritime vessels, and the Coast Guard. As noted in its Reply Comments, COMSAT has been an industry leader in the provision of satellite services for over fifty years. It has served as a U.S. accounting authority under the designation of AAIC US 11 since 2009. Thus, COMSAT has the experience and expertise to effectively serve as the default authority. COMSAT’s position as a service-agnostic provider further supports the appointment of the Company to fill this role.

While COMSAT is cognizant of the concerns raised by Commission staff regarding the appointment of a private entity as the default authority, the Company has met and addressed each and every concern head on. As COMSAT has explained, assigning the role of default accounting authority to COMSAT in no way forces any party to use COMSAT as their accounting authority. Instead, COMSAT would simply serve as the default authority for those users who fail to select their own accounting authority.

Further, designating COMSAT as the default accounting authority prejudices no one and benefits all interested parties. Any concerns that appointment of COMSAT could result in the Commission unfairly interfering in the free market are unfounded. COMSAT has repeatedly stated its willingness and desire to serve as the accounting authority of last resort. Not a single entity has come forward on the record to object to COMSAT's position or to offer to fulfill this role – despite having ample opportunity to do so.

Concerns regarding visibility into COMSAT's pricing are likewise unfounded. COMSAT's prices are easily known to the Government. As a COMSATCOM Schedule IT70 Contract holder (GS-35F-0122x), prices for maritime services through COMSAT Land Earth Station ("LES") are readily available to any authorized user. In addition, COMSAT is able to handle third party billing: pass-through of non-COMSAT owned LES traffic at the third party price plus a percentage handling fee.

COMSAT has reviewed the comments filed by the U.S. Coast Guard in this proceeding and is sensitive to the Coast Guard's concerns regarding the potential of price increases that could result from the Commission's exit from serving as the default authority. COMSAT affirms that no such price increases will result from having COMSAT as the designated accounting authority.

Commission staff also expressed concern as to whether appointing COMSAT as the default authority would require further development of the record, which would, in turn, result in additional delays in resolving this proceeding. The Company maintains that this issue should in no way stand as an impediment to the appointment of COMSAT as the default authority. The Commission specifically raised the issue of the appointment of another default authority in its 2016 NPRM. And, again, there has been no opposition on the record to COMSAT's Reply Comments. Parties have also had a further opportunity to participate in this proceeding based on COMSAT's submittal of its *ex parte* notices.

Even if the Commission believes that a Further Notice of Proposed Rulemaking is required, the FNPRM process will not delay resolution of this proceeding. As this process moves forward, the FCC will likely provide additional notice and comment opportunities on specific transition details that have not yet been put out for public comment. The issue of appointing a default accounting authority can be addressed in any forthcoming FNPRM.

Recently, COMSAT learned that staff and/or interested government entities may have reservations over the appointment of a private entity as the default accounting authority stemming from national security issues and concerns regarding the protection of secured or sensitive communications. While it is unfortunate that staff failed to mention this issue during the most recent

discussions with COMSAT, the Company is nevertheless confident that it can put these latest concerns to rest. COMSAT has a long record of serving various government entities and regularly handles sensitive communications for its corporate and government customers. Security is of a paramount concern to COMSAT. As such, the company has a number of protections and redundancies in place to ensure the privacy and security of communications it carries.

COMSAT owns and operates two teleports, one in Southbury, Connecticut and the other in Santa Paula, California. Each teleport has operated continuously for more than 40 years and both were built to high standards for providing life and safety services, along with a host of satellite system platforms from metrological data gathering to advanced navigation systems. As such, they are secure facilities connected to multiple terrestrial fiber networks and act as backup for each other through both terrestrial and satellite transmission pathways. Both facilities are data centers equipped with advanced satellite antennas and equipment backed up with automated and redundant electrical power sources, redundant HVAC systems, automatic fire detection and suppression systems, security systems and 24/7/365 network operations centers. COMSAT's teleports house data center equipment and services of its corporate affiliate, Satcom Direct, Inc., which brings enterprise-level cybersecurity capabilities to data transmissions in the air, on the ground and over water.

Lastly, through discussions with Commission staff, COMSAT has also learned that other private entities may have expressed an interest in serving as the default accounting authority, despite the fact that no party, other than COMSAT, has come forward on the record to express an interest and/or the ability to fulfill that role. It appears that Commission staff may be taking into account "off the record" discussions in rendering a decision in this proceeding. Should this be the case, COMSAT maintains that engaging in and relying upon communications that are not part of the public record in this docket is manifestly unfair to COMSAT and other interested parties and is contrary to the spirit and letter of the Administrative Procedures Act. In addition, reliance on informal or off the record discussions in the Commission's deliberative process is contrary to Chairman Pai's repeated statements of his intent to usher in an era of greater transparency at the Commission.

COMSAT urges the Commission to move forward on this matter in a productive, transparent, fair, and timely manner. In that spirit, COMSAT looks forward to continuing this dialogue with the Commission, Commission staff, and all interested parties.

COMSAT has a vested interest in ensuring the safety of all maritime vessels. It strongly believes that reliance on a notification process will ultimately be unsuccessful, costly, and time-consuming and will create unnecessary risk. While addressing the Commission's potential concerns associated with the appointment of COMSAT as the default authority has been somewhat of a moving target, the Company has nevertheless continued to engage Commission staff in what it believes to be a productive dialog.

Pursuant to Section 1.1206(b) of the Commission's rules, a copy of this letter is being electronically submitted into the record of these proceedings and provided to the Commission participants. Please do not hesitate to contact the undersigned with any questions.

Sincerely,

COMSAT, INC.

By: _____

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